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# BUILDING OWNERS' AND MANAGERS' ASSOCIATION OF TORONTO

57 Bloor St. W.
Toronto 5, Ont.
WAlnut 5-4128

June 24th, 1964

Mr. Lancelot J. Smith, F.C.A.
Chairman,
The Ontario Committee on Taxation,
88 University Avenue,
TORONTO 1, Ontario

Dear Mr. Chairman:

The Building Owners' and Managers' Association of Toronto welcomes the opportunity of presenting the views of the membership to your Committee pertaining to Municipal and Property Taxes in the City of Toronto.

The Building Owners' and Managers' Association of Toronto has a membership of 62 which represents the ownership of most of the major office buildings in the City having a total assessed value of well over $200,000,000.00. Our Association is affiliated with the Canadian Association of Building Owners and Managers representing cities across Canada and in turn with the National Association of Building Owners and Managers representing office building ownership in 102 cities in the United States and Canada.

We are of the opinion that the City of Toronto property taxes as they affect office buildings have reached oppressive levels, and positive steps should be taken to prevent further increases in this area. Office building owners in Toronto are in the unenviable position of having the highest tax "bite" in North America. We base this information on data provided in the 43rd Annual Office Building Experience Exchange Report as published by the National Association of Building Owners and Managers, which shows that the ratio of realty taxes to the total building income is higher in Toronto than in any other city reported on the continent. Space does not permit us to report all the cities shown in the official report but we are recording the following ones as pertinent:-

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| | Income per sq. foot | R.E. Taxes per sq. foot | Percentage Taxes to Income |
|---|---|---|---|
| Toronto | $5.186 | $1.3843 | 26.69 |
| New York | 5.055 | 1.173 | 23.2 |
| Montreal | 3.776 | .789 | 20.89 |
| Chicago | 4.318 | .747 | 17.29 |
| Detroit | 3.999 | .539 | 13.47 |
| Vancouver | 3.33 | .416 | 12.49 |

The Annual Report mentioned is a report of proven worth based upon proven studies, carefully conceived and accurately executed over a period of 43 years. Such a report, tested over such a long period, has earned the hallmark of reliability by meeting the tests of authenticity to its users.

While we appreciate the tremendous growth rate in the City of Toronto and the necessary large public expenditures that go with such a growth, it should be recognized that many other North American cities have had the same type of growth pattern in the past few years but, in repetition, nowhere else have office buildings been so drastically taxed. In Toronto, the taxes are the one largest single item in the operation of an office building.

Whether it is an assessment or tax rate, the Association feels that the office building owner is being unjustly treated, and we feel this matter should be given very careful consideration by the Committee so that recommendations can be made to enhance the climate which will encourage realty investment in the City of Toronto.

In consideration of the disproportionate load of taxes carried by the commercial property owner in the City of Toronto, we feel that mention should be made of the Education Grant from the Province of Ontario to the City of Toronto, which provides relief only to the residential property owner. We feel that this is unfair and inequitable, and that the commercial property owner should also benefit from a similar form of tax relief.

It is also the feeling of the Association that the Committee should give consideration to the present tax exemption which exists in the City of Toronto. Under such a system, there is always a possibility of abuse without public knowledge. We would hope that the Committee would carefully review the tax exempt situation and weigh the value of the grant system to provide relief for those organizations who have a justifiable claim. We feel this latter system of grants would provide the public, particularly the property owners, notice of fair and equitable needs, and would also provide information of the total amount of income which would be lost.

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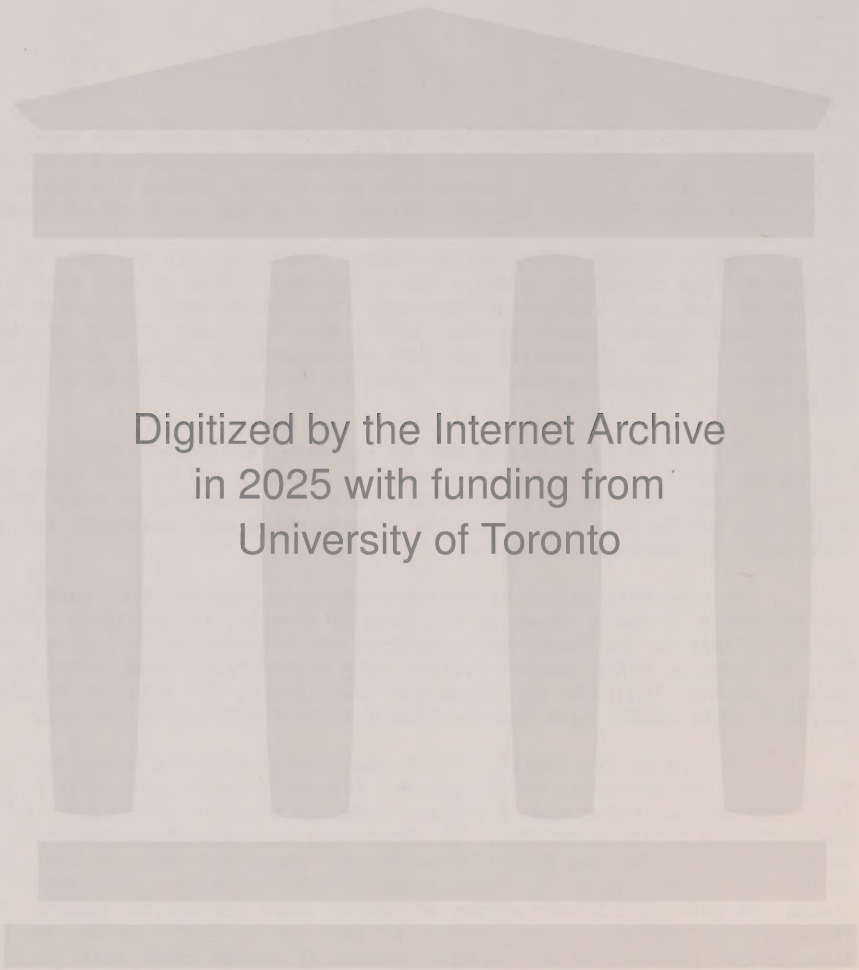
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Our Executive have brought these matters to the attention of the Mayor and Board of Control of the City of Toronto, who were in complete sympathy with our representations.

The latest Office Building Experience Exchange Report will be available sometime in July of this year, and we will be pleased if you so desire, to bring the very latest information to your attention.

Thank you for the opportunity accorded the Association in presenting its views on these matters.

Yours sincerely,

E. Bolland,
President,
Building Owners' and Managers'
Association of Toronto.

EB/fk

c.c. Mr. F. Warren Hurst,
Executive Director,
The Ontario Committee on Taxation.